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U.S. Acting to Secure Temple's $10 Million In 3 Banks in Panama

By JOHN M. CREWDSON
Special to The New York Times

SAN FRANCISCO, Dec. 19 — The Justice Department has located more than $10 million in funds deposited by the People's Temple in banks in Panama and has taken steps to freeze the money, a Government source said today.

The funds, which are on deposit in several Panamanian branch offices of Swiss banks, are believed to represent the majority of the assets amassed by the Temple's late founder, the Rev. Jim Jones.

The Government source said that he was uncertain just how the Justice Department had learned of the deposits, but added that "when we found out about it, we started diplomatic contact" with the Panamanian Government on the question of keeping the deposits intact.

U.S. Seeks to Recover Costs

The United States seeks to recover about $3.5 million in Federal funds spent in the last month for the removal of the bodies of hundreds of Mr. Jones's followers from the cult's settlement at Jonestown, Guyana.

Noting that the United States had taken "steps" to freeze the deposits, the government source said "that doesn't mean we can just run down there and get the

Continued on Page A20, Column 3

Continued From Page A1

money — there's probably going to be litigation in the Panamanian courts."

But he said that the United States had been assured that none of the temple members who are still alive could claim the assets until the legal question of ownership had been decided.

Correspondence found at Jonestown, in a suitcase containing several hundred thousand dollars in cash, bequeathed $7 million to the Communist Party of the Soviet Union.

That correspondence reportedly mentioned accounts in the name of the People's Temple or its members at branches in Panama of the Swiss Bank Corporation (Overseas) S.A., the Swiss Banking Corporation and the Union Bank of Switzerland.

The Justice Department has been searching for the temple's funds almost from the day that Mr. Jones and more than 900 of his followers died, most of them apparently by suicide. The mass deaths came a few hours after Representative Leo J. Ryan, a California Democrat, and three newsmen reporting on his visit to the Guyana settlement were slain.

State Dept. Sought Funds

Other sources have said that the State Department had asked the Justice Department to attempt to locate and report on the cult's funds, which according to some former Temple officials might total as much as $15 million.

The reason for the request, the sources said, was to determine whether sufficient funds would be available to compensate the United States for removing the bodies from Jonestown and transporting them to an Air Force facility at Dover, Del.

Late last month, a Federal grand jury here that is seeking evidence on several aspects of the temple's activities, including the possible existence of a conspiracy to murder Mr. Ryan, began issuing subpoenas for the records of banks in several countries, including Canada, where the cult was known to have kept its money.

Some of those banks are known to have been in Switzerland, and The New York Times last week quoted a Government official as saying that some or all of the temple's accounts in Switzerland had been emptied.

A Justice Department spokesman said that one of the former temple officials, Terri Buford, and her lawyer, Mark Lane, reportedly had traveled to Switzerland to remove some of the funds from a Zurich bank.

Mr. Lane denied, however, that either he or Miss Buford, who has said she withdrew from the People's Temple several months ago, had made such a trip or had withdrawn any money.

The lawyer said that his client had told the United States attorney here on Dec. 6 that most of $7.5 million in temple assets with which she was familiar had been transferred from a bank or banks in Switzerland to branch offices in Panama.

Mr. Lane is understood to have been seeking immunity from prosecution for Miss Buford, but it is not known whether such immunity has been granted.